GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

YAT&C (T) Department – Grant of Incentives to M/s Varun Hospitality Private Limited, Visakhapatnam for Taj Gateway Re-Development into 5-Star Deluxe Hotel cum Service Apartments at Beach Road, Visakhapatnam as per the provisions of AP Tourism Policy 2024-2029-Orders - Issued.

YOUTH ADVANCEMENT, TOURISM AND CULTURE (T) DEPARTMENT

G.O.MS.No. 8 **Dated: 22-05-2025**

Read thefollowing:

1. G.O.Ms.No.21, YAT&C(T) Department, Dt:18.11.2021.
2. G.O.Ms.No.17, YAT&C(T) Department, Dt:10.12.2024.
3. Letter received from Managing Director, M/s Varun Hospitality Private Limited, Visakhapatnam. Dt:24.02.2025.
4. Minutes of the SIPC Meeting, Dt:01.04.2025.
5. Minutes of the SIPB Meeting, Dt:15.05.2025.

* * *

ORDER :-

In the reference 1st read above, orders were issued to grant incentives based on the recommendations of State Investment Promotion Board and as per provisions of A.P.Tourism Policy 2020-2025 for Development of Five Star Hotel with 260 rooms, 90 Service Apartments, 12,750 Sq Ft Convention Centre, 2500 Seating Technology Space under Taj Varun Beach brand by M/s Varun Hospitality Pvt. Ltd at Visakhapatnam with an estimated investment of Rs.722.00 Cr with the following incentives:-

- Reimbursement of 100% of net SGST accrued for a period of (5) five years from COD or up to realization of 100% of the fixed capital investment, whichever is earlier, in consonance with Clause No 9.6 of the A.P. Tourism Policy 2020-2025.

- Fixed Cost Power Reimbursement at Rs.1.00 per unit for a period of 5 years from COD subject to a maximum of 82.8 lakh units per annum.

2. In the reference 2nd read above, Andhra Pradesh Tourism Policy 2024-29 has been issued with an aim to create a robust ecosystem that fosters private investment growth by streamlining approval processes, offering incentives and implementing investor-friendly policies, specially focussing on developing anchor destinations to serve as key hubs, attracting both Domestic and International tourists.

3. In the reference 3rd read above, M/s Varun Hospitality Private Limited, Visakhapatnam has stated that the incentives provided in the G.O. 1st read above under the A.P. Tourism Policy 2020-25 were not adequate for their large/mega project and hence did not initiate the project. They wish to undertake the project immediately and requested for better incentives than the incentives provided earlier.

(Contd….2)

They submitted a more detailed proposal with an investment of Rs.899.50 Cr. and direct employment potential of 1300 people along with a draft Techno Economic Viability Study for a 318 Keys 5 Star Hotel cum Commercial/Office Space and requested for incentives under the ultra-mega project as per the A.P.Tourism Policy 2024-29.

4. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 15.05.2025 with the recommendation of the State Investment Promotion Committee (SIPC) meeting held on 01.04.2025. After detailed discussions, the board has recommended for reimbursement of 100% net SGST for a period of 15 years or up to realization of100% fixed capital investment, whichever is earlier and to extend all other incentives as per the AP Tourism Policy 2024-29 to M/s Varun Hospitality Private Limited, Visakhapatnam.

5. Government after careful examination of the matter hereby grant incentives based on the recommendations of the State Investment Promotion Board (SIPB) and as per the provisions of A.P.Tourism Policy 2024-29 for Taj Gateway Re-development into 5-star Deluxe Hotel cum Service Apartments at Beach Road, Visakhapatnam by M/s Varun Hospitality Private Limited, Visakhapatnam as follows:

i. Reimbursement of 100% net SGST for a period of 15 years or up to realization of 100% fixed capital investment, whichever is earlier.

ii. All other incentives as per the AP Tourism Policy 2024, which include

   a. Reimbursement of 100% of stamp duty and transfer duty.
   b. Reimbursement of 100% of stamp duty for lease of land/shed/buildings, mortgage and hypothecations.
   c. Waive 100% of Land Use Conversion charge, wherever applicable.
   d. 10% of Fixed Capital Investment (FCI) limited to ₹ 40 Crore for Ultra Mega Tourism Projects in 5 equal instalments.
   e. Electricity charges at industry rates.
   f. Reimbursement of electricity duty for a period of 5 years.
   g. Property Tax, water supply charges, sewage tax, and property tax to tourism-related projects at industry rates.
   h. Employment Subsidy based on Employment-to-Investment (in Crore) (E/I) ratio as per Employment Incentive Policy of the Government.

iii. The Government also granted necessary approvals as recommended by the Board for the Foot Over Bridge by VMRDA, connecting the existing NOVOTEL Hotel and the Proposed Hotel Project, provided that the Foot Over Bridge is designed as an iconic bridge.

(Contd….3)

6. The Chief Executive Officer, Andhra Pradesh Tourism Authority, Vijayawada shall take further necessary action, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Chief Executive Officer,
Andhra Pradesh Tourism Authority, Vijayawada.
M/s Varun Hospitality Private Limited, Visakhapatnam.
(through CEO, APTA)

Copy to:

The Industries & Commerce Department,
A.P.Secretariat.
The Finance Department, A.P.Secretariat.
The District Collector, Visakhapatnam.
The Secretary to CM.
The OSD to Minister for Tourism (TC & C).
The PS to Special Chief Secretary to Government, YAT&C(T) Dept.
The G.A (Cabinet) Department, A.P.Secretariat,
Velagapudi.(w.r.t.U.O.Note.No.166/2025, Dt:20.05.2025)
SF/SC.

// FORWARDED :: BY ORDER//

SECTION OFFICER